

Debt Collection

If you use credit cards, owe money on a loan, or are paying off a home mortgage, you are a "debtor." Most Americans are.

You may never come in contact with a debt collector. But if you do, you should know that there is a law to make sure you are treated fairly. The Fair Debt Collection Practices Act was passed by Congress in 1978 to prohibit certain methods of debt collection. Of course, the law does not erase any legitimate debt you owe.

Here are some answers to some questions you may have about your rights under the Debt Collection Act:

What debts are covered?

Personal, family, and household debts are covered under the Act. This includes money owed for the purchase of a car, for medical care, or for charge accounts.

Who is debt collector?

A debt collector is anyone, other than the creditor or the creditor's attorney, who regularly collects debts for others.

How may a debt collector contact you?

A debt collector may contact you -in person, by mail, telephone, or telegram. However, a debt collector may not contact you at inconvenient or unusual times or places, such as before 8 a.m. or after 9 p.m., unless you agree. A debt collector may not contact you at work if your employer disapproves. (The military services consider military supervisors or commanders to be "employers." Thus, a debt collector who contacts you at your installation office or worksite, where your commander or supervisor prohibits it, may be in violation of the law).

Can you stop a debt collector from contacting you?

You may stop a debt collector from contacting you by writing a letter to the collection agency telling them to stop. Once they receive this letter, they may not contact you again except to say there will be no further contact. The debt collector is allowed to notify you that some specific action may be taken, but only if the debt collector or the creditor usually takes such action.

May a debt collector contact any other person concerning your debt?

If you have an attorney, like a Legal Assistance attorney, the collector may not contact anyone but the attorney. If you do not have an attorney, a debt collector may contact other people, but only to find out where you live or work. The collector is not allowed to tell anyone other than you or your attorney that you owe money. In most cases, collectors are prohibited from contacting any person more than once.

What is the debt collector required to tell you about the debt?

Within 5 days after you are first contacted, the debt collector must send you a written notice telling you the amount of money you owe; the name of the creditor to whom you owe the money; and what to do if you feel you do not owe the money.

If you believe you do not owe the money, may a debt collector continue to contact you?

The debt collector may not contact you if you send the collector a letter within thirty days after you are first contacted saying you do not owe the money. However, a debt collector can begin collection activities again if you are sent proof of the debt, such as a copy of the bill.

What types of debt collection practices are prohibited?

- Harassment: debt collectors may not harass, oppress or abuse any person.
For example, debt collectors may not:
 - ~ Use threats of violence or harm to property reputation.
 - ~ Publish a list of consumers who refuse to pay their debts (except to a credit bureau).
 - ~ Use obscene or profane language.
 - ~ Repeatedly use the telephone to annoy someone.
 - ~ Telephone people without identifying themselves.
 - ~ Advertise your debts.
- False statements: debt collectors may not use any false statements when collecting a debt.
For example, debt collectors may not:
 - ~ Falsely imply that they are an attorney or government representative.
 - ~ Falsely imply that you have committed a crime.
 - ~ Falsely represent that they operate or work for a credit bureau.
 - ~ Misrepresent the amount of the debt.
 - ~ Indicate that papers being sent are not legal forms when they are.
- Also, debt collectors may not say that:
 - ~ You'll be arrested if you do not pay your debt.
 - ~ They will seize, garnish, attach, or sell your property or wages, unless the collection agency or the creditor intends to do so, and it is legal.
 - ~ Actions will be taken against you which legally may not be taken.
- Debt collectors may not:
 - ~ Give false credit information about you to anyone.
 - ~ Send you anything that looks like an official document which might be sent by any court or agency of the United States or any state or local government.
 - ~ Use any false name.
- Unfair Practices: debt collectors may not engage in unfair practices in attempting to collect a debt.
For, example, debt collectors may not:

- ~ Collect any amount greater than your debt, unless allowed by law.
- ~ Deposit a post-dated check before the date on the check.
- ~ Make you accept collect calls or pay for telegrams.
- ~ Take or threaten to take your property unless this can be done legally.
- ~ Contact you by postcard.
- ~ Put anything on an envelope other than a debt collector's address and name (even the name can't be used if it shows that the communication is about the collection of a debt).

What control do you have over specific debts?

If you owe several debts, any payments you make must be applied to the debt you choose. A debt collector may not apply payment to any debt you feel you do not owe.

What can you do if the debt collector breaks the law?

You have the right to sue a debt collector in a State or Federal court within one year from the date the law was violated. If you win, you may recover money for the damage you suffered. Court costs and attorney's fees also can be recovered.

Who can you tell if the debt collector breaks the law?

In addition to this Federal law, many states have their own debt collection laws. Check with your state Attorney General's office to determine your rights under state law. Federal agencies rely on consumer complaints to decide which companies to investigate. You can assist these enforcement efforts by contacting the appropriate government office. Additionally you should always contact your Legal Assistance Office.

If a retail store, department store, small loan and finance company, oil company, public utility company, state credit union, government lending program, or travel and expense credit card company is involved, contact the Federal Trade Commission office nearest you.